OBRA FORMULA FOR FISCAL YEAR 1998/99 January 10, 1998

$$\begin{array}{c} \textbf{OBRA 1993} \\ \textbf{Hospital Specific} = \begin{pmatrix} \textbf{Medi-Cal/Uninsu red} \\ \textbf{Expenses} \end{pmatrix} - \begin{pmatrix} \textbf{Medi-Cal/Uninsu red} \\ \textbf{Revenues} \end{pmatrix} \end{array}$$

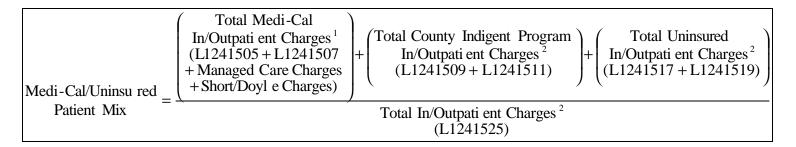
Medi-Cal/Uninsured Expenses

Where,

$$\begin{array}{c} \text{Projected Total} \\ \text{Hospital Expenses} \\ \text{For FY 98/99} \end{array} = \begin{pmatrix} \text{Projected Adjusted} \\ \text{Hospital Operating} \\ \text{Expenses For FY 98/99} \end{pmatrix} + \begin{pmatrix} \text{Estimated FY 98/99} \\ \text{CRRP Costs} \\ \text{(From Survey)} \end{pmatrix} - \begin{pmatrix} \text{Estimated FY 98/99} \\ \text{Medi-Cal Administra tive} \\ \text{Activities} \\ \text{(From Survey)} \end{pmatrix} \\ \text{Where,} \\ \\ \text{Where,} \\ \\ \text{Projected Adjusted} \\ \text{Hospital Operating} \\ \text{Hospital Operating} \\ \text{Expenses For FY 98/99} = \begin{pmatrix} \text{Total Operating} \\ \text{Expenses}^2 \\ \text{(L0820001)} \end{pmatrix} + \begin{pmatrix} \text{Bad Debt}^2 \\ \text{(L1242025)} \end{pmatrix} - \begin{pmatrix} \text{CRRP Costs} \\ \text{For FY Ending} \\ \text{In 1996} \\ \text{(From Survey)} \end{pmatrix} \end{pmatrix} \begin{pmatrix} \text{Trend} \\ \text{Factor} \end{pmatrix} \\ \text{and where,} \\ \\ \text{Trend} \\ \text{Factor} = \begin{pmatrix} \text{Medicare Market} \\ \text{Basket Percentage} \\ \text{for FFY 1997} \end{pmatrix} \begin{pmatrix} \text{Hospital 1996 FY} \\ \text{End Month} \\ \text{Adjustment Factor} \end{pmatrix} + 1 \\ \begin{pmatrix} \text{Medicare Market} \\ \text{Basket Percentage} \\ \text{for FFY 1998} \end{pmatrix} + 1 \\ \begin{pmatrix} \text{Medicare Market} \\ \text{Basket Percentage} \\ \text{for FFY 1999} \end{pmatrix} + 1 \\ \end{pmatrix}$$

- 1. Demonstration project expenses are determined based on the terms and conditions of an approved federal Medicaid demonstration project.
- 2. From the OSHPD Annual Financial Disclosure Report for fiscal year ending in 1996.

(continued next page)



- 1. From the OSHPD report for fiscal year ending in 1996, the OSHPD Confidential Discharge Data files for calendar year 1996, the San Mateo and Santa Barbara county plans paid claims files for year of service 1996 and the Medi-Cal Short/Doyle paid claims files for calendar year of service 1996.
- 2. From the OSHPD Annual Financial Disclosure Report for fiscal year ending in 1996.

Medi-Cal/Uninsured Revenues

- 1. From the Medi-Cal paid claims files, Medi-Cal Short/Doyle paid claims files, Inpatient Psychiatric paid claims files, San Mateo, Santa Barbara and Solano county plans paid claims files and data collected from the Medi-Cal Managed Care plans.
- 2. From CMAC.
- 3. From the OSHPD Annual Financial Disclosure Report for fiscal year ending in 1996.
- 4. Same as the Trend Factor calculated on page two.
- 5. Demonstration project revenues are determined based on the terms and conditions of an approved federal Medicaid demonstration project.
- 6. Additional 1997/98 SB1255 and/or Graduate Medical Education payments that caused a hospital to exceed their 1997/98 OBRA payment limit.